



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

**Date:** 8/25/2004

**GAIN Report Number:** SF4032

## South Africa, Republic of

### Livestock and Products

### Annual

### 2004

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**Report Highlights:**

The cattle industry, at about 13.65 million head with meat production of about 620,000 tons, is currently stable mainly due to favorable weather conditions. International trade exposure is very small although imports are increasing and exports decreasing mainly due to the strong SA rand. Most BSE induced limitations on US exports are still in place while the SA veterinary services are fighting a localized FMD outbreak.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Pretoria [SF1]  
[SF]

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**Summary**

South Africa's cattle industry seems to be in a stable phase as a result of the favorable weather over the past few years. Cattle numbers decreased from 13.64 million in 2003 to 13.54 in 2004, or by less than one percent. The game farming and hunting industries continue to take up more of the available ranch land but on the other hand, the feedlot industry is still growing. Apparently the utilization of the non-commercial or traditional herd is increasing as demand in the rural areas increases. Commercial production of beef and veal in 2003 amounted to 424,000 tons and non-commercial 189,000 tons for a total of 613,000 tons. Carcass prices increased by 9.8% between May 2003 and May 2004 but retail prices increased by only 7.4% over the past nine months and broiler prices by 4.8%. Poultry meat consumption exceeds red meat consumption.

South Africa is not a big factor in the international beef market with imports only amounting to 2.3% and exports 1.1% of 2003 consumption. Due to the strong SA Rand, imports are increasing and exports decreasing. Foot and Mouth disease broke out in areas bordering the Kruger National Park recently but is at this stage, well contained. South Africa still prohibits imports of most bovine products from the US because of the BSE case. The only products exempted are those allowed under the OIE protocol.

US Dollar 1 = Rand 6.70 (08/25/2004)

[www.SAMIC.co.za](http://www.SAMIC.co.za) and linked websites.

## Cattle

| Country                | South               | Africa     |            |            |            |            |          |
|------------------------|---------------------|------------|------------|------------|------------|------------|----------|
| Commodity              | Cattle              | Numbers    |            |            |            |            |          |
| 1000 Head              |                     | 2003       | Revised    | 2004       | Estimate   | 2005       | Forecast |
|                        | USDA Official [Old] | Post [New] | USDA [Old] | Post [New] | USDA [Old] | Post [New] |          |
| Market Year Begin      |                     | 01/2003    |            | 01/2004    |            | 01/2005    |          |
| Total Cattle Beg. Stks | 13635               | 13635      | 13790      | 13540      | 13890      | 13350      |          |
| Dairy Cows Beg. Stks   | 2025                | 1840       | 2020       | 1810       | 0          | 1800       |          |
| Beef Cows Beg. Stocks  | 7540                | 7140       | 7600       | 6760       | 0          | 6700       |          |
| Production (Calf Crop) | 3825                | 3515       | 3850       | 3325       | 0          | 3315       |          |
| Intra EC Imports       | 0                   | 0          | 0          | 0          | 0          | 0          |          |
| Total Imports          | 120                 | 130        | 110        | 120        | 0          | 125        |          |
| TOTAL Imports          | 120                 | 130        | 110        | 120        | 0          | 125        |          |
| TOTAL SUPPLY           | 17580               | 17280      | 17750      | 16985      | 13890      | 16790      |          |
| Intra EC Exports       | 0                   | 0          | 0          | 0          | 0          | 0          |          |
| Total Exports          | 15                  | 15         | 15         | 15         | 0          | 10         |          |
| TOTAL Exports          | 15                  | 15         | 15         | 15         | 0          | 10         |          |
| Cow Slaughter          | 1105                | 1105       | 1120       | 1070       | 0          | 1000       |          |
| Calf Slaughter         | 30                  | 40         | 30         | 45         | 0          | 50         |          |
| Other Slaughter        | 2020                | 1900       | 2045       | 1960       | 0          | 2000       |          |
| Total Slaughter        | 3155                | 3045       | 3195       | 3075       | 0          | 3050       |          |
| Loss                   | 620                 | 680        | 650        | 545        | 0          | 530        |          |
| Ending Inventories     | 13790               | 13540      | 13890      | 13350      | 0          | 13200      |          |

## Production

South Africa's livestock industry is divided 60/40 into two different sectors, a highly modern commercial sector and a smaller traditional sector. The following table contains the latest estimates:

| Cattle           | August 2002 |       | August 2003 |       |
|------------------|-------------|-------|-------------|-------|
| Commercial herd  | 8,300,000   | 60.9% | 7,930,000   | 58.6% |
| Traditional herd | 5,335,000   | 39.1% | 5,608,000   | 41.4% |
| Total numbers    | 13,635,000  |       | 13,538,000  |       |

We use the previous year's August estimate as the beginning stocks for the next calendar year, because it is the only estimate that gives herd composition. As the herd composition is only based on the commercial herd, and assuming that the same percentages apply, the makeup of the national herd can be calculated. The dramatic change in the composition of the national herd over the past two seasons is mainly due to a better estimate incorporating some census data. Weather conditions have been favorable over the past few years leading to a very static situation. The following table contains the herd composition data:



|              | Live weight Kg. | SA Rand/kg | Exchange rate | US Dollar/kg |
|--------------|-----------------|------------|---------------|--------------|
| May 2003     | 237             | 7.71       | 7.67 R = \$ 1 | 1.01         |
| June         | 241             | 7.46       | 7.90          | 0.94         |
| July         | 238             | 7.84       | 7.55          | 1.04         |
| August       | 239             | 7.64       | 7.39          | 1.03         |
| September    | 240             | 7.48       | 7.33          | 1.02         |
| October      | 238             | 7.66       | 6.96          | 1.10         |
| November     | 237             | 7.77       | 6.73          | 1.15         |
| December     | 236             | 7.44       | 6.52          | 1.14         |
| January 2004 | 243             | 7.48       | 6.92          | 1.08         |
| February     | 251             | 7.71       | 6.77          | 1.14         |
| March        | 248             | 7.52       | 6.63          | 1.13         |
| April        | 243             | 7.08       | 6.55          | 1.08         |
| May          | 235             | 7.73       | 6.78          | 1.14         |
| June         | 235             | 7.42       | 6.65          | 1.12         |

| Commodity                   | Meat, Beef               |         | and Veal   |            |            |            |
|-----------------------------|--------------------------|---------|------------|------------|------------|------------|
|                             | 2003                     | Revised | 2004       | Estimate   | 2005       | Forecast   |
| 1000 mt.cwe.                | USDA Official Post [New] |         | USDA [Old] | Post [New] | USDA [Old] | Post [New] |
| 1000 head                   |                          |         |            |            |            |            |
| Market Year Begin           | 01/2003                  |         | 01/2004    |            | 01/2005    |            |
| Slaughter (Reference)       | 3155                     | 3045    | 3195       | 2975       | 0          | 2950       |
| Beginning Stocks            | 0                        | 0       | 0          | 0          | 0          | 0          |
| Production                  | 643                      | 613     | 654        | 620        | 0          | 618        |
| Intra EC Imports            | 0                        | 0       | 0          | 0          | 0          | 0          |
| Total Imports               | 22                       | 14      | 16         | 16         | 0          | 22         |
| TOTAL Imports               | 22                       | 14      | 16         | 16         | 0          | 23         |
| TOTAL SUPPLY                | 665                      | 627     | 670        | 636        | 0          | 640        |
| Intra EC Exports            | 0                        | 0       | 0          | 0          | 0          | 0          |
| Total Exports               | 15                       | 7       | 15         | 10         | 0          | 10         |
| TOTAL Exports               | 15                       | 7       | 15         | 10         | 0          | 10         |
| Human Dom. Consumption      | 650                      | 620     | 655        | 626        | 0          | 630        |
| Other Use, Losses           | 0                        | 0       | 0          | 0          | 0          | 0          |
| TOTAL Dom. Consumption      | 650                      | 620     | 655        | 626        | 0          | 630        |
| Ending Stocks               | 0                        | 0       | 0          | 0          | 0          | 0          |
| TOTAL DISTRIBUTION          | 665                      | 627     | 670        | 636        | 0          | 630        |
| Calendar Yr. Imp. from U.S. | 0                        | 0       | 0          | 0          | 0          | 0          |
| Calendar Yr. Exp. to U.S.   | 0                        | 0       | 0          | 0          | 0          | 0          |

### Production

The production calculations were supplied in the live animal section. Beef production has now been defined as carcass weight according to the definition supplied in the reporting instructions, i.e. it is the weight of the slaughtered cold body after being skinned, bled and eviscerated, and after removal of the external genitalia, the limbs at the carpus and tarsus, the head, the tail, the kidneys and kidney fats, and the udder. Offal use is still a big factor in this mainly third world country but the emphasis of this report is on beef and veal.

To put the industry in perspective we can compare per capita consumption of the different meats as supplied by the South African Department of Agriculture.

| Kg. per capita | Beef  | Lamb | Pork | Red meat | Poultry | Subtotal |
|----------------|-------|------|------|----------|---------|----------|
| 1998/99        | 13.42 | 3.8  | 3.0  | 20.22    | 21.14   | 41.36    |
| 1999/00        | 13.84 | 3.7  | 3.1  | 20.64    | 22.42   | 43.06    |
| 2000/01        | 12.58 | 3.4  | 2.6  | 18.58    | 21.82   | 40.40    |
| 2001/02        | 13.27 | 3.6  | 2.7  | 19.57    | 22.25   | 41.82    |
| 2002/03        | 13.40 | 3.7  | 2.7  | 19.80    | 23.10   | 42.90    |

Poultry consumption first passed red meat consumption in 1998/99 and has since increased the gap. Lamb and pork per capita consumption is small, pork consumption is limited by religious custom in a big portion of the population while mutton production has decreased as a result of excessive stock theft.

Domestic wholesale carcass prices for fed cattle follow:

| Carcass prices | Carcass weight Kg. | SA Rand/kg | Exchange rate Rand per US \$ | US Dollar/kg |
|----------------|--------------------|------------|------------------------------|--------------|
| May 2003       | 239                | 12.40      | 7.67                         | 1.62         |
| June           | 236                | 11.42      | 7.90                         | 1.45         |
| July           | 231                | 12.00      | 7.55                         | 1.59         |
| August         | 227                | 11.71      | 7.39                         | 1.58         |
| September      | 226                | 11.77      | 7.33                         | 1.61         |
| October        | 224                | 12.11      | 6.96                         | 1.74         |
| November       | 227                | 11.84      | 6.73                         | 1.76         |
| December       | 231                | 12.31      | 6.52                         | 1.89         |
| January 2004   | 234                | 12.94      | 6.92                         | 1.87         |
| February       | 228                | 13.14      | 6.77                         | 1.94         |
| March          | 230                | 14.03      | 6.63                         | 2.11         |
| April          | 228                | 14.55      | 6.55                         | 2.22         |
| May            | 234                | 13.62      | 6.78                         | 2.01         |
| June           | 239                | 12.60      | 6.65                         | 1.89         |

Retail price comparisons are more difficult but the following table can give an indication:

| Rand/kg.  | Sept.03 | Oct.  | Nov.  | Dec.  | Jan.04 | Febr. | March | April | May   |
|-----------|---------|-------|-------|-------|--------|-------|-------|-------|-------|
| Topside*  | 30.32   | 30.03 | 30.39 | 31.13 | 32.26  | 31.93 | 32.15 | 31.28 | 32.56 |
| Chicken** | 17.18   | 17.05 | 17.26 | 17.87 | 17.85  | 17.73 | 17.91 | 18.21 | 18.01 |

\* Topside, boneless beef

\*\* Chicken, whole, dressed

### Trade:

In 2003 imports, on a CEW basis, constituted about 2.3% of consumption, and exports 1.1%. South Africa is thus not a major international market or supplier of beef and veal. There has also not been much trade with the US.

SA beef is not allowed into the US because of the occurrence of Foot and Mouth disease in some areas bordering the Kruger National Park, where the disease is endemic. There is currently an outbreak in the Limpopo, Northern province area. It is contained in the fenced cordon and there is an embargo on the movement of cloven-hoofed animals from the affected area. Animals in the quarantined area are also inspected on a regular basis. While the international veterinary authorities have been notified of the outbreak, no embargo has been placed on meat exports from other areas.

Imports from the USA are restricted because of the BSE case. OIE standards and regulations are applied. In other words, non-risk materials have been allowed since January 15, 2004. The products allowed include milk and milk products, semen and embryos, protein free tallow, dicalcium phosphate, hides and skins and gelatin and collagen prepared exclusively from hides and skins.

In 2003 South Africa imported 10,255 tons of beef and veal compared to only 4,400 tons in 2002. The increased imports are mainly due to the strong Rand making imports cheaper. The majority of South Africa imports consisted of 9,660 tons of frozen boneless beef cuts from Argentina and Brazil. Fresh boneless cuts amounted to only 338 tons and bone in cuts to about 196 tons.

The following table contains the details:

## Imports

**Country** South Africa

**Commodity** Meat, Beef

|                   |         |             |       |
|-------------------|---------|-------------|-------|
| Time Period       | Jan-Dec | Units:      | mt.   |
| Imports for:      | 2002    |             | 2003  |
| U.S.              | 0       | U.S.        | 0     |
| Others            |         | Others      |       |
| Brazil            | 193     | Brazil      | 4352  |
| Argentina         | 1868    | Argentina   | 4050  |
| Uruguay           | 177     | Uruguay     | 760   |
| Australia         | 545     | Australia   | 391   |
| New Zealand       | 41      | New Zealand | 265   |
| Paraguay          | 1099    | Paraguay    | 87    |
| Namibia           | 0       | Namibia     | 180   |
| Total for Others  | 3923    |             | 10085 |
| Others not Listed | 475     |             | 170   |
| Grand Total       | 4398    |             | 10255 |

In 2003 beef and veal exports amounted to only 6,364 tons after 11,163 tons were exported in 2002. The decline in exports is mainly due to the strong SA Rand making exports unprofitable. Bone in cuts exports amounted to about 2,300 tons compared to 2,350 tons in 2002 while boneless cut exports amounted to 6,245 tons compared to 11,115 tons in 2002.

## Exports

**Country** South Africa

**Commodity** Meat, Beef

|                   |         |             |            |
|-------------------|---------|-------------|------------|
| Time Period       | Jan-Dec | Units:      | Metric ton |
| Exports for:      | 2002    |             | 2003       |
| U.S.              |         | U.S.        |            |
| Others            |         | Others      |            |
| UK                | 3777    | UK          | 1574       |
| Germany           | 1433    | Germany     | 984        |
| Mozambique        | 580     | Mozambique  | 1059       |
| Switzerland       | 495     | Switzerland | 591        |
| Greece            | 781     | Greece      | 340        |
| Angola            | 1006    | Angola      | 395        |
| Mauritius         | 256     | Mauritius   | 152        |
| Nigeria           | 70      | Nigeria     | 154        |
| Kuwait            | 89      | Kuwait      | 130        |
| Gabon             | 264     | Gabon       | 234        |
| Total for Others  | 8751    |             | 5613       |
| Others not Listed | 2412    |             | 751        |
| Grand Total       | 11163   |             | 6364       |



## Tariffs

The general and EU rate of duty on carcasses and half-carcasses (0201.10), bone in cuts (0201.20) and boneless cuts (0201.30) is 40% ad valorem or 240 SA cents/kg. South African Development Community (SADC) imports are free. There is a special annual quota of 26,254 tons under the minimum access agreement. Of this, 17,380 tons are reserved for suppliers from Namibia and Botswana and 8,874 tons from other traditional supplier countries. In this case the full duty less 13.8% applies for carcasses and bone in cuts and 32% deduction for boneless cuts. The minimum access is negated by the duty free treatment of products from SADC members like Botswana and Namibia. Imports are nonetheless limited by the low prices prevailing in South Africa.

## Offal

In addition to the beef and veal imported, offal also plays an important part in international trade. Recent imports were:

| Metric tons   | 2001  | 2002  | 2003  |
|---------------|-------|-------|-------|
| Bovine tongue | 58    | 102   | 438   |
| Bovine liver  | 2740  | 3123  | 3118  |
| Other bovine  | 5127  | 5650  | 5504  |
| Swine offal   | 6590  | 7693  | 8606  |
| Total         | 14515 | 16568 | 17665 |

The US supplied 836 tons of other bovine offal in 2003 and 772 tons in 2002, probably mainly hearts, kidneys and livers. The import duty on liver is 30% ad valorem or 130 c/kg., the other products are duty free.